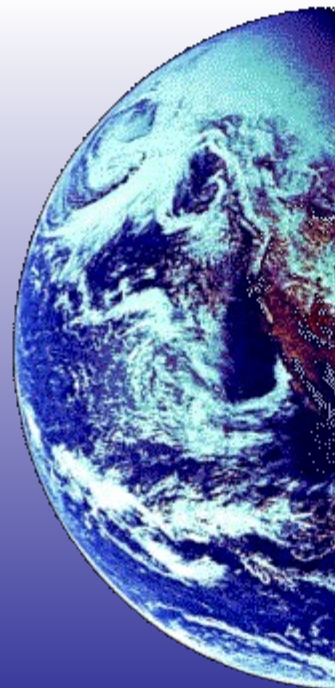




UID Discussion

DAEC

October 7, 2003





UID Status

- DoD's policy issued July 29, 2003
- Serious implementation questions exist based on draft DFARS rule



Open Items

- Definition of “item”
 - Prime articles, parts of prime articles, ST & STE?
- Definition of “delivery”
 - DD-250 (DD-1149) or when title passes to Government? (on cost reimbursable contracts title passes to Government when costs are invoiced)

Open Items

(continued)

- Valuation Calculations
 - How are non-recurring costs allocated?
 - How often are values updated?
 - Must item costs be updated for contract modifications, final price revisions, updated actual costs?
- Need to avoid delays in payments to Contractors during UID implementation



Industry's Concern

- Interim DFARS does not answer critical implementation questions and is likely to be disruptive and costly as contractors price in contingencies until the policy is clarified

Other Issues

- The policy should normally prohibit reporting costs for items under \$5000
- Use of a CDRL rather than a contract line item to report costs of items would facilitate contract administration
- Eliminate flow-down to subcontractors because they do not know what is deliverable or final prices of deliverables
- The changes under this rule may require changes to accounting practices



Recommendation

- Please consider these issues, and other industry comments, before the UID clause is included in RFPs
- Need to harmonize DFARS, MILSTD-130L, and the UID Guide with the UID Policy Memo language



Backup



UID Schedule

- October Issuance of Interim Rule
- 60 Day Comment Period
- Time Needed for Evaluation of Comments and Revision of Rule if Necessary
- National Holidays = Lost Time
- Time Needed for Contractor Implementation
- January 1, 2004 Implementation Date

